

**ASSEMBLY BILL**

**No. 2399**

**Introduced by Assembly Member Liu**

February 19, 2004

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An act to add Chapter 11.1 (commencing with Section 679.75) to Part 1 of Division 1 of the Insurance Code, relating to homeowners' insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2399, as introduced, Liu. Homeowners' insurance: dog breeds.

Existing law imposes various obligations on insurers with respect to the determination of insurance rates. Existing law requires an insurer under a homeowners' insurance policy to deliver to the insured within a specified period prior to the expiration of the policy a notice of renewal or nonrenewal. Existing law prohibits an insurer from refusing to issue or renew a homeowners' policy for certain discriminatory reasons, and from basing an adverse underwriting decision, as defined, upon specified information.

This bill would prohibit an insurer from refusing to issue or renew a homeowners' policy based upon the breed of dog owned by the applicant or insured. The bill would allow an insurer to consider a breed of dog when setting rates for a homeowners' policy if the rate charged is supported by actuarial data regarding the risk of loss posed by the particular breed, but would require that a specified discount be granted if the dog has passed the test for the American Kennel Club Canine Good Citizen certification.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 11.1 (commencing with Section 679.75) is added to Part 1 of Division 1 of the Insurance Code, to read:

CHAPTER 11.1. UNDERWRITING PROHIBITIONS REGARDING  
CERTAIN PROPERTY INSURANCE

679.75. (a) An insurer shall not refuse to issue or renew a policy specified in Section 675 based upon a breed of dog owned by the applicant or insured.

(b) An insurer may consider a breed of dog owned by an applicant or insured when setting rates for a policy specified in Section 675 if the rate charged is supported by actuarial data regarding the risk of loss posed by the particular breed.

(c) An insurer shall offer a rate discount to any applicant or insured who owns a breed of dog for which the insurer charges a higher rate pursuant to subdivision (b) if the applicant or insured provides documentation that the dog has passed the test for the American Kennel Club Canine Good Citizen certification. The amount of the discount shall be the lesser of the following:

(1) The amount of the rate increase resulting from ownership of the dog pursuant to subdivision (b).

(2) Ten percent of the total rate that would be charged for the policy pursuant to subdivision (b).

(d) Nothing in this section shall limit the ability of an insurer to refuse to issue or renew a policy, or to charge rates, based upon the history of an individual dog.